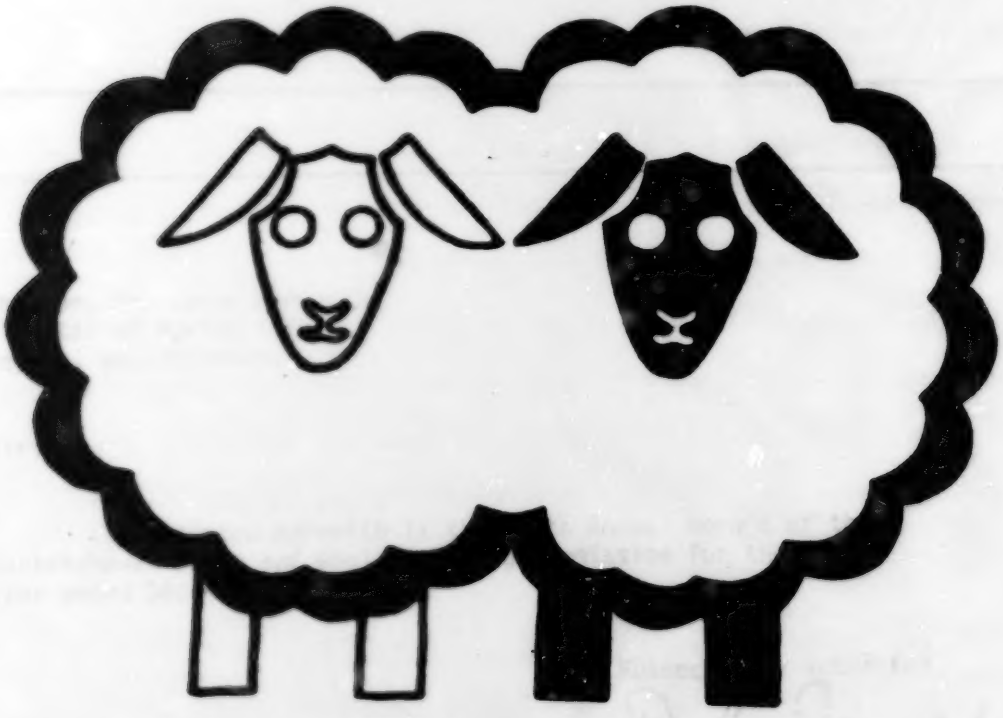
Saskatchewan Sheep and Wool Marketing Commission



1982 Annual Report

His Honour Frederick W. Johnson,
Lieutenant Governor,
Province of Saskatchewan.

Sir:

I have the honour to transmit herewith the Ninth Annual Report of the Saskatchewan Sheep and Wool Marketing Commission for the fiscal year ended December 31, 1982.

Your obedient servant,

Dr. Lorne Hepworth,
Minister of Agriculture.

The Hon. Dr. Lorne Hepworth,
Minister of Agriculture,
Regina, Saskatchewan.

Sir:

Presented herewith is the Ninth Annual Report of the Saskatchewan Sheep and Wool Marketing Commission for the fiscal year ended December 31, 1982.

Respectfully submitted,

Dale Donald

Dale Donald, Chairman
SASKATCHEWAN SHEEP AND WOOL
MARKETING COMMISSION

CHAIRMAN'S REPORT - 1982

1982 has been a difficult year in the sheep industry. The exceptionally low prices of 1981 have remained through 1982. This has caused severe financial difficulty to new producers who faced start-up costs and exceptionally high interest rates. In response to these conditions, the Commission has been working toward establishing an income assurance program.

Marketings through the Commission have increased approximately 25% in 1982. This reflects the increase in production in the past few years, and unfortunately also some flock reductions this year. We are pleased to report the Commission is constantly becoming more efficient with the cost per animal marketed, again lower than the previous year.

We are also pleased that Lambco has become a very strong influence on the market and is handling the majority of our lambs.

Within the province small plants are handling more lamb to help supply the local demand and we intend to encourage expansion of this market.

The Commission looks forward to serving the producers in 1983 and providing all possible assistance to producers during these difficult times.

Dale Donald

Dale Donald, Chairman
SASKATCHEWAN SHEEP AND WOOL
MARKETING COMMISSION

The Saskatchewan Sheep and Wool Marketing Commission

The Directors of the Sheep and Wool Marketing Commission for 1982 were:

George Tosh, Chairman	Harris, Sask.
Russell Simpson, Vice-Chairman	Tompkins, Sask.
Dale Donald, Director	Rockhaven, Sask.
Warner Shrader, Director	Foam Lake, Sask.
Lyn Steuart, Director	Blaine Lake, Sask.
Jim Koal, General Manager	Saskatoon, Sask.
Arlene Looman, Secretary	Saskatoon, Sask.

The following provides a summary of the marketings of the Sheep and Wool Commission in 1982, as compared with 1981 and 1980:

	1982	1981	1980
No. of Lambs Marketed	12,183	9,774	7,880
Average Gross Value Per Head	$57.36	$57.26	$61.21
Average Selling Cost Per Head	5.12	5.39	6.05
No. of Sheep Marketed	2,063	1,594	1,747
Average Gross Value Per Head	$31.39	$37.74	$51.80
Average Selling Cost Per Head	5.41	4.79	15.21
Total No. of Sheep and Lambs Marketed	14,246	11,368	9,627
Total Gross Value	$763,934.52	$619,809.00	$572,829.12
Total Selling Cost	73,544.69	60,302.09	74,274.49
Average Selling Cost Per Head	5.16	5.30	7.72

The total sheep and lamb marketed through the Commission in 1982, compared to 1981 is increased by 25%. The flow of lamb incurred some pressure as Lambco had a heavier flow in mid July this past year which is approximately a month early. There was no warning of this happening and therefore nothing could be done to avoid this. Due to the backlog, we had some overweight lambs, so we moved some lambs down to South Dakota, thus opening another market. Also in 1982 we were able to move a greater supply of lambs to Canada Packers in Winnipeg.

Prices have not been significantly different in 1982 than 1981. Agriculture Canada paid out just over $5.00/lamb market in 1981, under the plan. In that the prices were relatively unchanged in 1982 it is hoped that this will happen again. The fact that the federal plan would kick in is an indication of the current status of the Sheep Industry in Canada.

Direction of Marketings

The greatest percentage of lambs continue to be shipped to Lambco, at Innisfail, Alberta.

Lambco in 1982 for the average week slaughtered more lambs than did Ontario and Quebec put together.

Producers continue to express a desire to have a greater volume of slaughterings in Saskatchewan. There is definitely a lack of lamb coming into the retail market in Saskatchewan. The fact is that there is no salesman selling lamb at the retail level and therefore the retailers tend not to put much of an effort into promoting lamb. This identifies a definite need for fresh lamb here in this province.

Stabilization

The Commission has continued to ask the government for assistance in establishing some form of assistance, such as stabilization. One of the major hold ups in this matter is Saskatchewan Government's wish to see what the Federal Government is going to do.

One positive happening which relates to this matter is the Department of Agriculture, putting some funding aside to establish some realistic costs of production. The Commission surveyed a number of producers from different types of production to get some preliminary figures as 1982 drew to a close. Some 30 odd producers have agreed to continue supplying this type of information as we go into the next five years.

Sheepman's Supplies

This service is supplied by the Commission in co-operation with the Canadian Co-operative Wool Growers. The Commission has a store display area adjoining the secretary's area. The supplies offered cover such needs as supplies relating to health control, breeding and lambing. Approximately 60% of the sales are made up of mail order.

Government Assistance

The Commission received an administrative grant of $75,670.00 from the Saskatchewan Department of Agriculture to reduce budget deficits for 1982-1983. This is a $25,670.00 increase over 1981 which was used to offset the cost of the Sheepman's Supplies which were being supplied by the Wool Growers on a short term consignment basis. The sales of supplies was being used to carry the Commission through during periods of financial shortages, so the additional funds were used to pay off these supplies.

New Appointments to the Commission

As 1982 was closing out the Commission was awaiting some new appointments. Goerge Tosh had resigned prior to year end, thus leaving a vacancy in the area of Chairman and the Commission in general.

Looking to 1983

As 1982 drew to a close the Commission looked to 1983 in anticipation, specifically for a very much needed stabilization plan.

AVERAGE MONTHLY PRICE AND WEIGHT OBTAIN BY

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION DURING 1982

	SHEEP				80 lbs. + HANDYWEIGHT LAMBS				LIGHT LAMBS 70 LBS. & LESS			
	No. of Head	Ave. Wt. (lbs)	Net Value CWT	Head	No. of Head	Ave. Wt(lbs)	Net Value CWT	Head	No. of Head	Ave. Wt(lbs)	Net Value CWT	Head
JANUARY	209	131.03	28.86	37.83	736	112.21	50.33	56.48	634	61.63	47.95	29.55
FEBRUARY	121	131.62	31.73	41.77	990	97.58	57.22	55.84	44	49.61	82.85	41.10
MARCH	199	113.20	28.88	32.70	523	92.08	59.29	54.59	677	66.92	82.74	55.37
APRIL	84	132.45	19.37	25.66	345	94.79	66.78	63.30	287	66.81	96.14	64.23
MAY	178	110.23	20.25	22.32	216	89.56	74.15	66.41	130	65.62	64.19	42.12
JUNE	347	113.71	17.03	19.37	691	94.07	76.63	72.09	94	74.04	74.34	55.04
JULY	136	121.50	19.25	23.39	523	92.24	67.32	62.10	170	112.06	42.63	47.77
AUGUST	106	126.05	19.42	24.48	641	98.46	59.06	58.15	40	73.35	53.22	39.04
SEPTEMBER	50	138.00	17.91	24.71	1126	98.82	53.84	53.20	410	53.96	56.54	30.51
OCTOBER	156	133.07	12.53	16.67	1069	98.06	53.74	52.70	247	72.34	41.48	30.01
NOVEMBER	388	135.04	18.84	25.44	1147	96.71	55.18	53.36	543	73.36	63.50	46.58
DECEMBER	89	115.25	17.48	20.15	891	97.85	55.71	54.51	-	-	-	-
TOTAL	2063	124.21	20.92	25.98	8898	98.81	62.23	61.49	3276	71.63	53.94	38.64

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

FINANCIAL STATEMENTS

Year Ended December 31, 1982

OFFICE OF THE PROVINCIAL AUDITOR

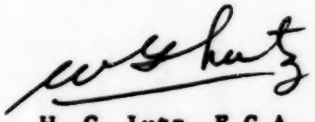
REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of the Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Sheep and Wool Marketing Commission as at December 31, 1982 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
February 16, 1983.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

BALANCE SHEET

As at December 31

	1982	1981
ASSETS		
Current		
Cash	$18,774	$12,758
Term deposit	25,000	-
Accounts receivable	7,573	1,049
Grant receivable	8,330	-
Inventories (at the lower of cost and net realizable value)	9,825	10,916
	69,502	24,723
Furniture and equipment (Note 1)	7,927	7,927
	$77,429	$32,650
LIABILITIES AND EQUITY		
Current		
Accounts payable	$ 1,891	$ 4,953
Equity		
Surplus - Statement 2	67,611	19,770
Fixed assets (Note 1)	7,927	7,927
	75,538	27,697
	$77,429	$32,650

(See accompanying notes)

Statement 2

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the Year Ended December 31

	1982	1981
Revenue		
Province of Saskatchewan grant - Administration	$ 84,000	$ 50,000
Wool handling commission (net of expenses)	8,347	-
Sale of sheepman's supplies (net of returns)	26,721	28,196
Check-off	24,871	22,264
Other	2,837	1,137
	146,776	101,597
Expenditure		
Salaries and benefits	50,832	52,444
General	28,201	36,290
Cost of sales - sheepman's supplies (Note 2)	19,850	22,255
Other	52	1,005
	98,935	111,994
Excess of revenue over expenditure (expenditure over revenue)	47,841	(10,397)
Surplus, beginning of year	19,770	30,167
Surplus, end of year - Statement 1	$ 67,611	$ 19,770

(See accompanying notes)

SASKATCHEWAN SHEEP AND WOOL MARKETING COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 1982

1. Significant Accounting Policies

Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account "Equity in Fixed Assets".

2. Cost of Sales - Sheepman's Supplies

	1982	1981
Beginning inventory, January 1	$10,916	$ 7,828
Purchases for the year	18,759	25,343
	29,675	33,171
Less: Ending inventory, December 31	9,825	10,916
Cost of sales	$19,850	$22,255

3. Commissioners' and Manager's Remuneration

During 1982 the Commissioners of the Commission received $4,285 in remuneration (1981 - $9,540). Management of the Commission in 1982 received $26,862 in remuneration (1981 - $24,200).

NOTES

POOR

QUALITY

ORIGINAL